



Nexus Weekly Legislative Report
January 26, 2018

The third week of the legislative session was busy, in terms of events at the Capitol which drew the attention of legislators away from bills and committees of reference. Both chambers honored our armed forces on Friday by holding a Military Appreciation Day, which seemed to have shortened the week again.

Next week, HB18-1004—Continue Child Care Contribution Tax Credit—by Representatives Coleman and Wilson, will be heard on Monday in House Finance. The bill has bipartisan sponsorship, support in both the House and Senate and is supported by the business community. It extends a current tax credit which allows taxpayers that make a monetary contribution to promote child care in the state an income tax credit that is worth 50% of their contribution. This bill highlights an important public and private partnership that the state wants to continue in order to deliver adequate child care for the state.

This week The Joint Budget Committee, considered supplementals—mid-year adjustments—for school districts after changes in student count and local share revenue came in different than projected. The student count for K12 education is 900 students fewer than expected for the current school year, which will impact some districts as they will receive less funding per pupil in response. Also, property tax—the local share—of education funding increased \$97 million more than expected, which reduces the state share. There are several options for how this extra \$97 million can be spent. The K12 community continues to express the need for additional funding now, in this current school year, which is an option. However, the Governor's office, the Department of Education and JBC staff are recommending that the extra revenue be shored into the State Education Fund so that it can roll over into next year. Some in the JBC noted that this money could be put back into the General Fund to be used for other budget shortfalls, such as transportation.

The JBC hasn't made a decision on what to do with the extra \$97 million because a member was absent from the committee on the day of decision, which requires legislation and a vote of all committee members. They will put the supplemental discussion back onto the agenda early next week, while school districts wait to hear if there will be any change to their funding mid-year.